

# Clean Energy Financing

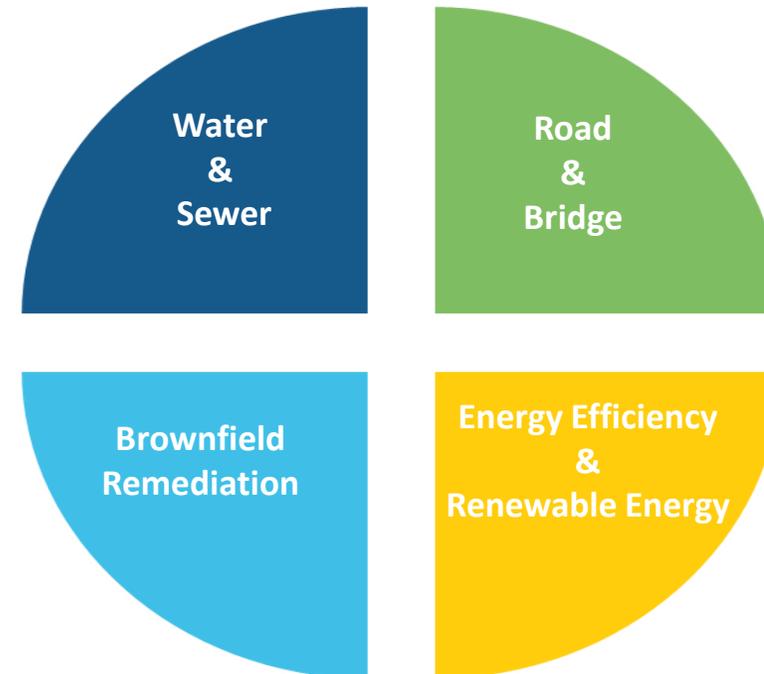
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**RHODE ISLAND**  
INFRASTRUCTURE BANK

# Rhode Island Infrastructure Bank

- Rhode Island Infrastructure Bank (RIIB) is a quasi-state agency that manages investments in local infrastructure
- We mobilize private sector funds combined with institutional capital to provide lower than market finance



# Product Overview

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Clean Water State  
Revolving Fund

Drinking Water State  
Revolving Fund

Community Septic  
System Loan Program &  
Sewer Tie-In Loan Fund

Municipal Road &  
Bridge Revolving Fund

Efficient Buildings Fund

Commercial/Residential  
Property Assessed Clean  
Energy

Brownfields Revolving  
Loan Fund

Water Quality  
Protection Fund

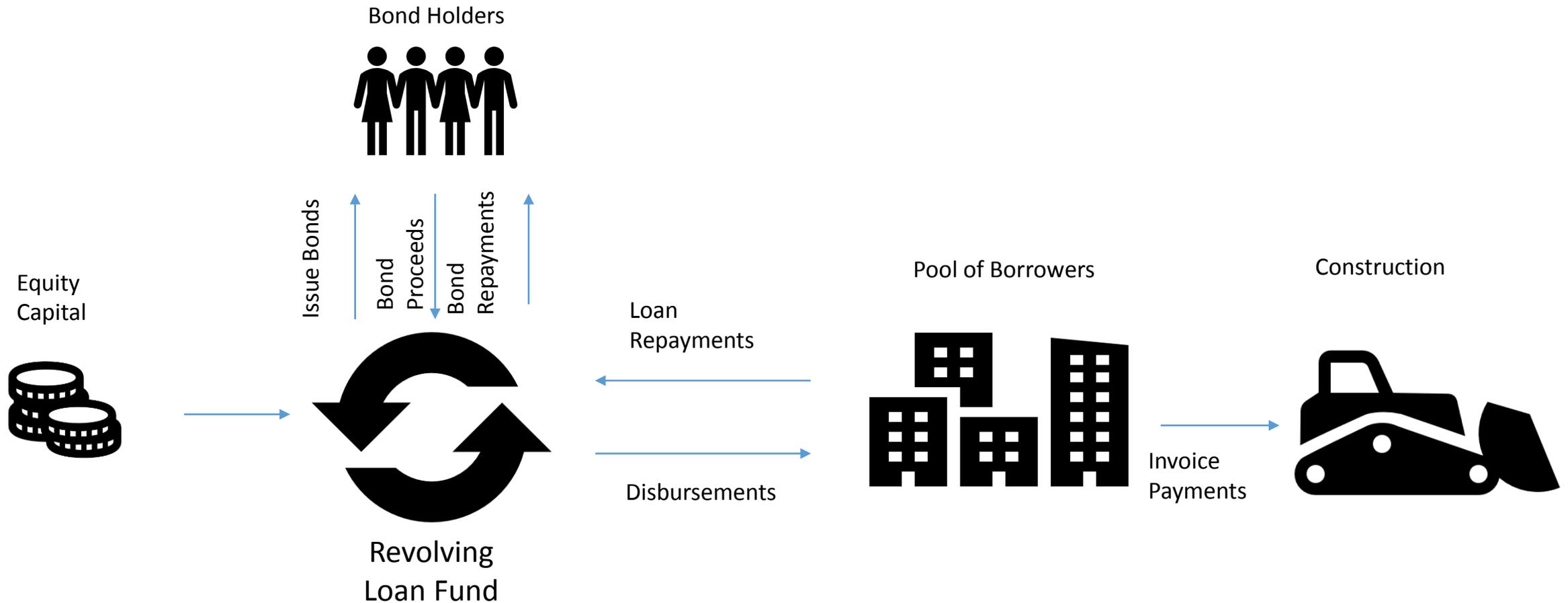


# RIB Business Model

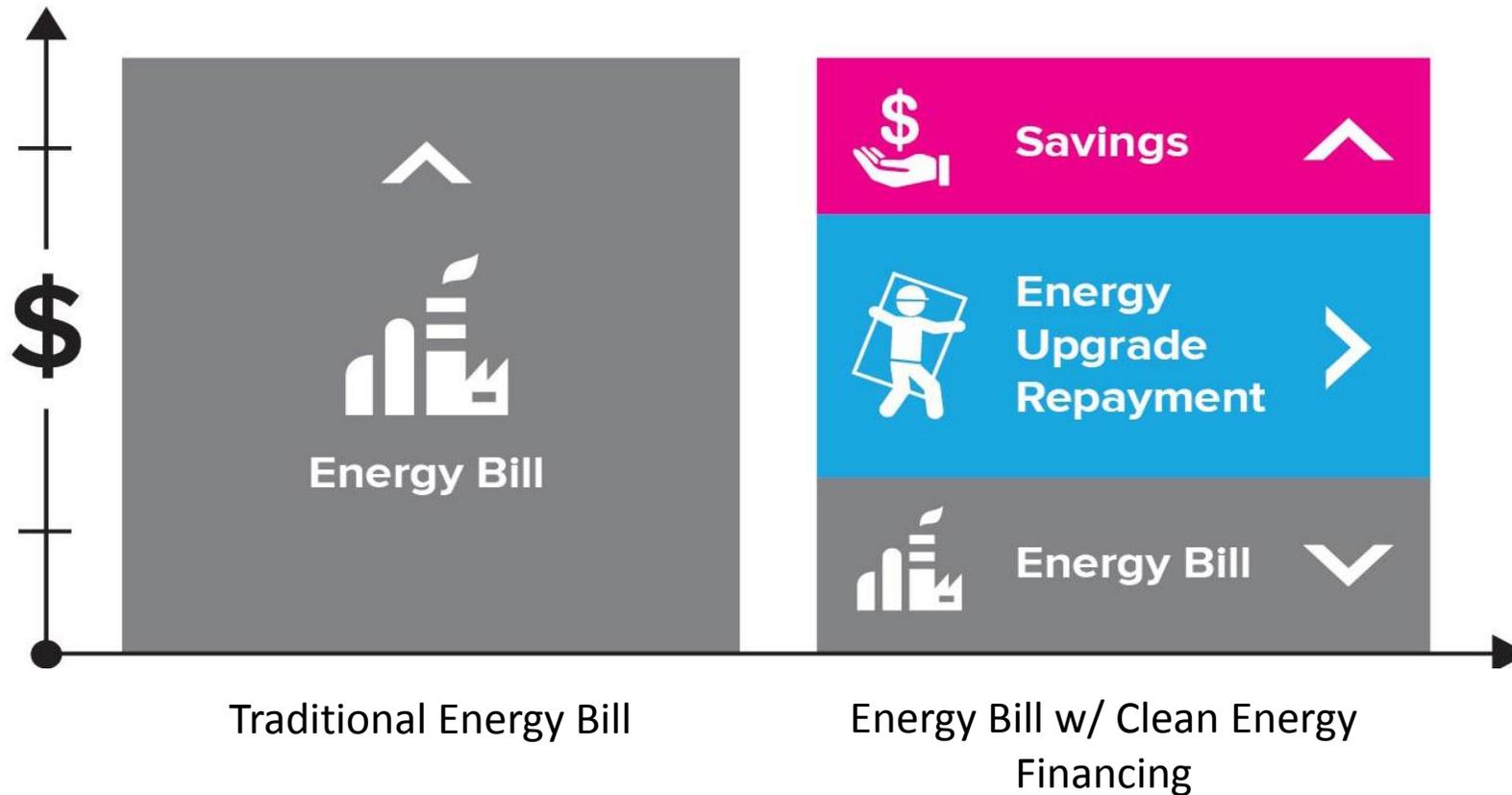
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- RIB's business model is to combine a number of smaller infrastructure loans into a "pool" and finance the larger pool
- This pool is financed with a combination of limited capital and proceeds from a public market bond sale
  - Capitalized pool financing or leveraged pool financing
  - This "leveraged" financing model enables RIB to finance more projects today than would be possible with the limited capital alone
- Pooling smaller sized loans within a capitalized model has the following benefits:
  - Lower cost of issuance to borrowers by spreading fixed costs over larger transaction
  - Lower interest cost to borrowers – combination of capital and credit diversification of pool provides higher credit rating of bond transaction than that of individual borrowers which lowers cost
  - Risk transfer – risk of non-performance of loans in pool borne by bond investors; RIB's exposure limited to capital
  - Capital is recycled and supports new loans as older loans are paid back
- RIB's investments are prioritized based on a project priority list developed transparently by State department partners

# Revolving Loan Fund Model



# Clean Energy Financing Model



# Clean Energy Financing Programs

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	Municipal, State Colleges and Quasi-Public	Commercial	Residential
Energy Efficiency - Programs	EBF / CWSRF / DWSRF	C-PACE	In Development (2018)
Renewable Energy - Programs	EBF / CWSRF / DWSRF	C-PACE	In Development (2018)

# Efficient Buildings Fund (EBF) Overview

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- Jointly administered by RIIB and the Office of Energy Resources (OER)
- EBF provides long-term, fixed-rate financing for comprehensive energy savings projects
- Financing structured in a way that allows projects to produce positive cash flow, net of debt service, for borrowers
- Investment goals are to reduce energy consumption in public buildings by >20%
  - Targeting investments that lead to electric and heating savings and/or investments for renewable energy generation

# Increased Flexibility

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- Legislation recently passed that allows RIIB to lend to quasi-state entities and public universities
- Increased flexibility on application process and frequency of intake
- Ability to accept new sources of repayment security
- Infrastructure Bank's technical assistance

# EBF Portfolio Results

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- 53% were energy efficiency projects and 47% were renewable energy
- Energy efficiency projects represented an energy savings of at least 25%
- Over \$3 million in annual cost savings
- The 10 communities will realize approximately \$35 million gross cash flow savings for energy efficiency projects
- Energy saved through efficiency or created through renewables is over 50 million kBTUs per annum
  - Represents enough energy to meet the average annual energy consumption needs of 1,153 RI households
- Reduces CO2 emissions by 10,855 metric tons per annum and 166,172 metric tons over the 15-year life of the transaction
  - Annual reduction equivalent to 26 million miles driven by an average passenger vehicle
- 433 jobs supported or created

# Introducing C-PACE Financing

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C-PACE (Commercial Property Assessed Clean Energy) is an innovative financing solution from Rhode Island Infrastructure Bank that makes green energy upgrades accessible and affordable. With C-PACE, building owners can:

- **Take control of their energy costs**
- **Act with confidence**
- **Make their buildings more comfortable**

# How C-PACE Works

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All types of properties can use it



To design a custom solution



With all kinds of energy upgrades.



# How C-PACE Works

100% financing



With a simple payment structure



Saves energy and money



# C-PACE Advantages

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- 100% financing with no out-of-pocket expenses
- Long term – up to 25 years
- Cash flow positive projects
- Seamlessly combines financing with state, utility and tax incentives
- No personal guarantees
- C-PACE financing is transferable upon sale of the property

# C-PACE Activity

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- 176 active opportunities in pipeline – 17 participating municipalities
  - 24% have energy efficiency components to their project
- Have closed 3 projects to date – all were solar
  - Three additional solar projects to close in November and December
  - Lighting retrofit at a non-profit in Providence with RISE to close before calendar year end
- Program also has a new construction component for projects that exceed state energy code
  - Sliding scale unlocks additional C-PACE financing as percentage above code increases
- RI C-PACE actively taking a market sector project development approach in new markets